

That angle to the question should be investigated by the government.

This is a question which we suggest should be asked in the house at the present time.

I bring this question up because I know the value of the cooperative movement; and I wish to say that in the province from which I come, and from which the Minister of Finance also comes, the cooperative movement really got its start in the thirties, in the depth of the depression, when miners and steelworkers were working one and two days a week trying to maintain a family. They banded themselves together and went out to find ways and means of raising themselves by their bootstraps under the leadership and guidance of the university of St. Francis Xavier. No one was getting paid for it. It was a recognition on the part of these industrial workers, and on the part of clergymen and small business people, that as far as the system under which they lived was concerned, it had failed to provide the means of livelihood. They could not sit idly by and starve, so they went out to do something for themselves. They organized credit unions, cooperative stores and wholesales and succeeded in building these organizations into fairly large and substantial businesses, out of which no one makes any money. I have been actively associated with them since their inception, and still am, and I have never received anything in the way of dividends. We do not look for them. The earnings of the average cooperative consumer store or credit union go back into the movement in the form of education and the provision of cheap insurance for the average worker, because most of them could not carry on under the circumstances that existed at that time and protect their families.

The Minister of Finance has had pressures and difficulties during the preparation of this budget. We recognize that. But I do not think he gave this question proper consideration, not because he did not wish to, but simply because he did not have the evidence. I want to warn my hon. friends to the right, and other members in this house as well, if they are interested in the democratic form of government and in a democratic order of society, to be very careful in tripping up movements that are built by the people themselves, because you have reached the stage in this country and on this North American continent where you can fail to give the people ownership, to raise their average of education, to show them a real democracy working among themselves and of which they are part and parcel—you can fail to do that, I say, and do what they did in Europe. You

[Mr. Gillis.]

can pull our own house of cards down about our ears. Make no mistake about it, that while we succeeded in defeating the nazi philosophy in this war, the nazis were not all in Europe and totalitarianism did not exist only in Germany, Italy and the European countries. You still have that ideological war on your hands, and the surest way to alienate the people from the democratic form of government that we know and understand is to start taking from them the things that they have built themselves. That is confiscation, and that is what you are doing by taking money from the cooperatives in the form of taxation. And you will not get much money. By taxing them you are taking away their means of education. Every year their financial report is brought out, a certain amount is allocated for education, literature and so on. Their education is the democratic philosophy, which enables them to keep people on the road organizing and training store managers, credit union clerks and managers, and things like that. That is what you are taking from them.

Mr. ILSLEY: How?

Mr. GILLIS: By taxing them. You are taxing their reserves; you are preventing them from expanding. In effect, as I understand it with the chance I have had to read the budget, you are relegating them to the position of a profit-making organization.

Mr. ILSLEY: Only to the extent that they make profits.

Mr. GILLIS: But they do not make profits.

Mr. ILSLEY: Then they are not taxed.

Mr. GILLIS: They are not taxed?

Mr. ILSLEY: No, not if they do not make profits. I have expressly stated that if they do not make income we do not propose the imposition of any tax whatever.

Mr. GILLIS: Then it is a matter of interpretation; that is the point. Half a dozen lawyers, sitting behind the scenes in Ottawa, draft the budget. Around that budget will be evolved a lot of regulations, which are to be interpreted, not by people who understand that movement, but by people who have the concept that you have over there; and we suffer. People who know and understand the cooperative movement have no illusions. This fight goes deeper than the budget. The fight to-day is a test between the people's organizations and the cartels of the North American continent. That is what it is; do not make any mistake about it.

Mr. ILSLEY: Does my hon. friend think we did what the cartels wanted us to do?